FILED
JUN 16 1967
JOHN F. DAVIS, CLERK

IN THE

SUPREME COURT OF THE UNITED STATES

MARCH TERM, 1967

No. 1239

JACKSON COUNTY PUBLIC WATER SUPPLY DISTRICT No. 1,
Petitioner,

vs.

ONG AIRCRAFT CORPORATION, CITY OF KANSAS CITY, MISSOURI, ILUS W. DAVIS, Successor to H. Roe Bartle, Mayor of Kansas City, Missouri, HUGH G. CARR, Director of Water, Kansas City, Missouri, and EARL BROSNAHAN,
Respondents.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

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Respondents.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

Petitioner, Jackson County Public Water Supply District No. 1 ("District"), prays that this Court grant a rehearing of its Order of May 22, 1967, denying the Petition for Writ of Certiorari and that a Writ of Certiorari issue to review the judgment of the Kansas City Court of Appeals of the State of Missouri in the above-entitled case as prayed for in the petition filed April 8, 1967.

REASONS FOR GRANTING REHEARING AND ISSUING THE WRIT

1. The "intervening circumstances of substantial and controlling effect," and the "other substantial grounds available to petitioner, although not previously presented," as provided in Rule 58, will be discussed under paragraphs 3 and 4 below.

A denial of a Petition for Certiorari does not in itself reflect the grounds for denial. In this case the basis for denial can only be ascertained from the Respondents' Brief in Opposition to the Petition, or a review of the reasons set forth in the Petition for Certiorari. As petitioner views this case only three basic grounds for denial are possible.

The opposition brief claims that the Federal question had not been raised early enough, or with required particularity. As pointed out in the Petition and in the Brief in Opposition, the District's original petition for injunction in the trial court alleged that the acts of the defendants were "in violation of the constitutional and statutory rights of the plaintiff." (R-3). The Petition for Certiorari pointed out that the trial court ruled that "No Constitutional or statutory rights of the plaintiff have been violated or impaired by any contracts, agreements or the conduct of the defendants, or any of them." (Pet. Cert. A-14). Since this is the first opportunity to have raised the question, and since the trial court ruled on the question of *all* Constitutional rights (Federal or State), and since the Petition for Certiorari further describes the "surprise" manner in which the Kansas City Court of Appeals decision became final (Pet. Cert. 7), we must assume that this was not the basis of the denial.

2. The Petition for Certiorari describes in considerable detail the question of "imperative public importance" pointing out that the Kansas City Court of Appeals' decision has put in jeopardy some $13,000,000 of revenue bonds issued by water districts similarly situated to petitioner, subject to encroachment, and guaranteed by the United States through the Farmers Home Administration. Because it was so clearly pointed out that the State of Missouri was, of all the states, the outstanding beneficiary of this type of Federal assistance, and because $13,000,000 of Federally guaranteed bonds is so definitely a matter of public importance, we cannot assume that failure to show public importance was a primary ground for denial.

3. Petitioner must, therefore, take the position that the only plausible grounds for denial was that the Supreme Court felt that petitioner did not occupy a position of protection under the provision of the Agricultural Act of 1961, or its predecessor acts, simply because it was the recipient of a *grant* and did not obtain its assistance by loan or guaranty. The petitioner feels that possibly the Petition for Certiorari did not go into great enough detail in discussing this particular point. As an "intervening circumstance" petitioner has uncovered its original application for Federal assistance to the Public Works Administration in 1935. In those days construction grants and loans were obviously available*, and applications for both types of assistance to petitioner were made. A copy of that original application in its entirety is herewith attached and made a part of this Petition for Rehearing and marked Appendix L. According to the affidavit attached hereto and marked Appendix M, the applied for grant was given, but the application for loan was probably with-

*1933, Title II, Public Works & Conservation Projects Act, June 16, 1933.

drawn because private investment sources ultimately supplied the money. Appendix M further confirms that the petitioner, from and after 1936, had sizable general obligation and revenue bond issues outstanding, and that part of the initial revenue bond issue was not paid off until the fall of 1962. Historically, petitioner issued its original revenue bonds in the amount of $84,000. It issued $180,000 of additional refunding revenue bonds in 1952, and an additional $250,000 in revenue bonds in 1958. Simultaneously, the District had outstanding at all times, approximately equivalent amounts of general obligation bonds. Consequently, the District has constantly, since 1937, had outstanding substantial balances of special revenue bonds, even to this date.

Had the applied-for assistance in the form of a loan filed by petitioner been granted, there would have been no doubt but that the petitioner would have been entitled to the protection provided in Paragraph B of Section 306 of the Agricultural Act of 1961, because the 1962 encroachment would have reduced petitioner's territory. It should be pointed out at this stage that one of the conditions of the loan applied for by petitioner in 1935, and the grant simultaneously applied for, and later given, is found in that original application (Paragraph 12, Page ~~L40~~ L10 attached hereto), "The project will not compete with an existing facility." This raises a unique Federal question which was not clearly presented by the Petition for Certiorari, and which we hope to more clearly define by this Petition for Rehearing. Does the fact that petitioner was the recipient of a grant of $136,000 plus, and did not receive its assistance in the form of a government loan, (although originally applied for) but instead borrowed its revenue bond money from the public through private sources, mean that it was without any Federal protection

at all? The obvious answer is no. The purposes of The Public Works and Conservation Projects Act of 1933, The Water Facilities Act of August 28, 1937, the purposes of the Agricultural Act of 1961, which repealed the earlier act, and the purposes of the 1965 amendment are all contained in legislative expressions, to provide to the rural areas pure water at lower water rates, unavailable to these people except by the public assistance provided. Typical of this is a legislative expression of the purpose, contained in a letter from the Secretary of Agriculture to the Senate Committee on Agriculture and Forestry in connection with the 1965 act. This legislative expression is as follows,

> "In administering the present loan program for rural water systems, the Farmers Home Administration has found that many rural communities cannot afford the entire cost of needed water supply and distribution facilities due to either low income of many of the prospective users or the high cost of providing distribution systems, including, where necessary, such installations as water treatment plants, in sparsely settled areas." (United States Code Congressional and Administrative News, 89th Congress, First Session, 1965, Vol. 2, Page 3,412)

"The purpose of the aid by grant was the same as aid by loan, and the same as aid by guaranty. Historically, grants and loans for construction purposes were provided between 1933 and 1961. Between 1961 and 1965, loans and guaranties only were provided, and after 1965, grants, loans, and guaranties have been available. It should be further pointed out that according to the Engineer's Memorandum (Appendix L attached), Kansas City, Missouri, was supposed to be the sole supplier of the applicant, and according to Appendix M attached and the original record, Kansas City, Missouri, was in fact the sole supplier

of petitioner from 1937 to date. By reason of these thirty years of experience, Kansas City, Missouri, enjoyed the benefits of a new customer in the form of the petitioner only by virtue of the original Federal grant, and hence, Kansas City, Missouri, was a part of the original agreement in that grant that, "The project would not compete with an existing facility."

It is the contention of the petitioner that the purpose of all of these Project Assistance Acts was to furnish rural residents with cheap water; that the government was just as interested in protecting the territorial integrity of a water supply relying on revenue bonds whether the government assisted the supplier by grant or by loan. This protection was made more express and more specific in the Agricultural Act of 1961. It failed to expressly cover the grant situation because grants were temporarily eliminated during the '61-'65 period. This, however, did not mean that the government was eliminating protection of prior grant situations which still needed the protection in order to accomplish the basic purposes of the legislation. The legislative purpose of all of these acts could not have been accomplished if the recipient of one type of the aid was unprotected, while the recipient of other types was fully protected. The whole purpose of the act would have been thwarted by any other interpretation. The term of the protection, as expressed in some of the acts, was for bonds payable over 40 years, and the only time the protection against encroachment of an area was lifted was when the government had recovered its initial aid. In our situation, it should be pointed out that the government assistance was permanent, but that question need not be decided because the happening of the encroachment in this case was within the 40-year period, and likewise within the term of the initial revenue bond issue.

The language of the legislative history of the Agricultural Act of 1961, states that Section 1926 (b) was added, "to *assist* in protecting the territory served by such an association facility against competitive facilities. . . ." (P. 2309, U. S. Code Congressional and Administrative News, Vol. 2, 1961). The word *assist* implies that there was some prior protection from encroachment given to these associations. This protection was provided by a line of cases which hold that where there is an exclusive contract between an association and a municipality to supply water (to the municipality), the municipality may not under the authorization of state statute or municipal ordinance impair the obligation of that contract (Art. 1, 10, d. 1, U. S. Constitution) by attempting to establish its own water supply facility in competition with the association. (*Vicksburg* v. *Vicksburg Waterworks Co.*, 202 U.S. 453, 50 L. Ed. 1102, 26 S. Ct. 660, *Walla Walla* v. *Walla Walla Water Co.*, 185 U.S. 65, 46 L. Ed. 808, 22 S. Ct. 585, *New Orleans Water-Works* v. *Rivers*, 115 U.S. 674, 29 L. Ed. 525, 6 S. Ct. 273.) One such case involves a water supply company which was financed by revenue bonds (*New Orleans Water-Works* v. *Rivers, supra*), as was the Jackson County Public Water Supply District, No. 1. In all the cases cited above the plaintiff sought injunctive relief, as does the petitioner.

As a condition to obtaining a loan and grant from the Federal Emergency Administration of Public Works the plantiff agreed that, "(T)he project will not compete with an existing facility." (See P.W.A. Form No. 156, Page 140.) If this condition, and the 1961 Agricultural Act, 1926 (b), and the cases in the preceding paragraph are construed together, it would mean that the acts of the defendant here complained of should be enjoined in that: (1) There has been a direct violation of the

Agricultural Act of 1961, 1926 (b); (2) There has been an impairment of the plaintiff's contract obligations under Art. I, §10, Cl. 1 of the U. S. Constitution.

It should be pointed out that the City of Kansas City was, and is now the sole supplier of water to the Jackson County Public Water Supply District No. 1, and only by this grant of federal funds could the city have had a customer to which to supply water. Therefore, the protection from encroachment which we seek, also is strengthened by the fact that the party whom we seek to enjoin benefitted by the federal grant, and should now be estopped to deny protection to the petitioner's water supply area.

4. While the above cases are included in this petition for the purpose of showing that petitioner had federal protection as a grantee of federal aid, our discussion of them has brought out another federal question and another constitutional infraction, namely an impairment of petitioner's contractual obligation. (See *Vicksburg Waterworks Co.* v. *Vicksburg,* 185 U.S. 65, 46 L. Ed. 808, 22 S. Ct. 585.) This is a reason supplementary to the above cited reasons for granting the petition for rehearing. The trial judge ruled (See Conclusion 6-Appendix B, p. A-14) that there had been no constitutional contractual impairment, thereby indicating that this federal question had been previously presented. Art. I, Sec. 10, Cl. 1, U. S. Constitution. In referring to impairment of contracts it is obvious that he was referring to Federal rights since there is no such State Constitutional provision. (See *New York ex rel. Bryant* v. *Zimmerman,* 278 U.S. 63, 67-68.)

CONCLUSION

The petitioner felt that the Petition for Certiorari in this case was quite meritorious, and in this regard the court apparently felt otherwise. The petitioner argued in that petition that a Federal question of "Imperative public importance," was raised in the plaintiff's petition in the trial court by an allegation that Constitutional rights had been violated or *impaired*. Article VI of the United States Constitution was pointed to because the petition pointed out that $13,000,000 of outstanding revenue bonds of Missouri Water Districts, similarly situated to petitioner, had been guaranteed by the United States and that those issues were in great jeopardy because of the decision of the Kansas City Court of Appeals authorizing an encroachment by Kansas City, Missouri, upon the territory of the petitioner and therefore a cutting down of its revenue producing area. We further pointed out that the petitioner was federally financed by a Grant-In-Aid of approximately $136,000 given to it by the United States in 1937. The Petition for Certiorari further argued that the 14th Amendment of the United States had likewise been violated because the Kansas City Court of Appeals decision had removed petitioner from an eligible classification for future grants, guaranties, and loans, by reason of the fact that its revenue producing area had been impaired.

Since the filing of the Petition for Certiorari, petitioner has been able to solidify its reason for believing that a federally assisted project must be protected from encroachment. The petition for rehearing has disclosed without contradiction that one of the conditions of the original Grant-In-Aid was that, "The project would not compete with an existing facility," that one of the respondents, Kansas City, Missouri, was a party to the agreement in which that condition of the grant was con-

tained by virtue of the fact that the municipality in fact enjoyed the benefits of that grant. The Petition for Rehearing likewise shows without contradiction that this conduct on the part of the respondent was an impairment of a contract in violation of Article I, Section 10, Clause 1 of the United States Constitution, the Impairment of Contracts provision, and that this is a question which was initially ruled by the trial judge. We know that this Court is reluctant to grant Rehearing and grant Certiorari, but petitioner feels that this is one case in which the Court's consideration is extremely deserving.

Respectfully submitted,

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Central Trust Building
Jefferson City, Missouri
Counsel for Petitioner

LINDE, THOMSON, VAN DYKE,
FAIRCHILD & LANGWORTHY
HENDREN & ANDRAE
Of Counsel

CERTIFICATE OF COUNSEL

We hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay and is restricted to grounds specified in Rule 58 of the rules of this Court.

.....

ALBERT THOMSON
Counsel for Petitioner

June ....., 1967.

APPENDIX L

Application Resolution

Resolution No. .....

A Resolution Authorizing the President of Jackson County Missouri Public Water Supply District No. 1 to File an Application to the United States of America Through the Federal Emergency Administration of Public Works for a Loan and Grant to Aid in Financing the Construction of a Suburban Waterworks Distribution System within the District and Designating Charles A. Haskins and/or R. O. Ruble, Consulting Engineers, and Jerome Walsh and/or Andrew Ellison, Attorneys, and R. D. Barry, Clerk, to furnish such Information as the Government may Request.

Be it Resolved by the Board of Directors of Jackson County Missouri Public Water Supply District No. 1:

SECTION 1. That H. T. Abernathy, President, be, and he is, authorized to execute and file an application on behalf of Jackson County Missouri Public Water Supply District No. 1 to the United States of America for a loan and grant to aid in financing the construction of a suburban waterworks distribution system within the District.

SECTION 2. That Charles A. Haskins and/or R. O. Ruble, Consulting Engineers, and Jerome Walsh and/or Andrew Ellison, Attorneys, and R. D. Barry, Clerk, be, and they are, hereby authorized and directed to furnish such information as the United States of America through the Federal Emergency Administration of Public Works

may reasonably request in connection with the application which is herein authorized to be filed.

Passed and approved this 23rd day of November, 1935

(signed) H. T. ABERNATHY President
Jackson County Missouri Public
Water Supply District No. 1

Attest:

(signed) R. D. BARRY Clerk
Jackson County Missouri Public
Water Supply District No. 1

CERTIFICATE OF CLERK

I, R. D. Barry, the duly elected, qualified and acting Clerk of the Jackson County Missouri Public Water Supply District No. 1, do hereby certify that I have compared the attached copy of a resolution entitled

> "A Resolution Authorizing the President of Jackson County Missouri Public Water Supply District No. 1 to File an Application to the United States of America Through the Federal Emergency Administration of Public Works for a Loan and Grant to Aid in Financing the Construction of a Suburban Waterworks Distribution System within the District and Designating Charles A. Haskins and/or R. O. Ruble, Consulting Engineers, and Jerome Walsh and/or Andrew Ellison, Attorneys, and R. D. Barry, Clerk, to furnish such Information as the Government may Request,"

with the original of such resolution on file in my office and that the same is a true and correct copy of such resolution which was regularly adopted at a meeting of the Board of Directors, duly held on the 23rd day of November, 1935.

Dated this 23rd day of November, 1935.

(signed) R. D. BARRY Clerk
Jackson County Missouri Public
(SEAL) Water Supply District No. 1

Memorandum

TO ACCOMPANY APPLICATION OF JACKSON COUNTY MISSOURI PUBLIC WATER SUPPLY DISTRICT No. 1

This Memorandum is intended to give a short history of this project and the applications which have been filed for P.W.A. loans and grants to finance the project.

In November 1933 a private Company, known as The South Jackson County Missouri Water Company was organized on a non-profit and cooperative basis, for the purpose of constructing a water supply system in the area covered by this application. It was necessary to form a private company at that time because there was no State law under which a public water supply district could be formed in an unincorporated district. This private Company made application to the Public Works Administration for a loan and grant in the amount of $190,000.00. This application was carefully examined by the Public Works Administration but was never approved on account of the fact that the application came from a private corporation instead of from a public body. However, the application was never finally rejected, but was held in abeyance until such time as a statute could be enacted providing for the formation of a public water supply district.

A State law has now been enacted providing for the formation of suburban water supply districts, and this law became effective about September 1, 1935.

On account of the fact that the law did not become effective until about September 1, 1935, it was necessary to file an application on behalf of the unformed district ahead of the dead-line set by the Public Works Admin-

istration for receiving applications. Consequently, on August 28, 1935, the Directors of the old South Jackson County Missouri Water Company filed an application with the Public Works Administration on behalf of the unformed District. Under this application the scope of the project was increased considerably and the estimated cost was $327,000.00.

The Water Supply District has now been incorporated by the Court and such incorporation has been ratified by a vote of the people within the District, in accordance with the law. The present application is being executed by the officers of the newly formed District, and this application is to take the place of the application filed on August 28, 1935. The present application differs slightly from the last application filed. At the time the District was incorporated a small area in the northeast portion of the District was eliminated, which change eliminated water mains on Hillcrest Road north of Bannister Road, and on 87th Street. This change reduced the cost of the project from $327,000.00 to $306,000.00.

List of Drawings

The following drawings are included in Folders 2 and 4 but are omitted from all other folders:—

1 Map showing location of the project with respect to Kansas City;

2 Map showing the Water Supply District and the waterworks system.

L5

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

HAROLD L. ICKES, ADMINISTRATOR
WASHINGTON

Application for Loan and Grant

State .....

State File No. .....
(Not to be filled in by applicant)

The[1] Jackson County Missouri Public Water Supply District No. 1 (herein called the "Applicant"), hereby makes application to the United States of America through the Federal Emergency Administration of Public Works (herein called the "Government"), for a loan and a grant for the purpose of aiding in financing the construction of[2] a Suburban Waterworks Distribution System (herein called the "Project") the total cost of which is estimated to be $[3]306,000.00.

In the event this application is approved and the Government offers to assist in financing the construction of the Project, the Applicant, if it accepts such offer, will sell its obligations in an amount which, together with the grant, will, in the judgment of the Applicant and the Federal Emergency Administrator of Public Works, be sufficient to construct the Project, such obligations to be secured in such manner, to bear interest at such rate, to be in such form, to be payable at such time or times and at such place or places, to be in such denominations and to have such registration privileges as may be satisfactory to the Applicant and to said Administrator.

---

1. Insert correct corporate name of Applicant.
2. Describe Project briefly.
3. Insert estimated cost of Project.

It is expressly understood that if the Government makes the above requested loan and grant, the Applicant, in accepting such loan and grant proceeds, in expending the same, and in carrying out the construction of the Project, will abide by all rules and regulations prescribed by the Government.

IN WITNESS WHEREOF, the Applicant has caused this application to be duly executed in its name, this 23rd day of November, 1935.

[Seal]

Jackson County Public Water Supply District #1[1]
(signed) By H. T. Abernathy[4]
President[5]

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

HAROLD L. ICKES, ADMINISTRATOR
WASHINGTON

Engineering Information Supplied by Applicant

State .....

State File No. .....
(Not to be filled in by applicant)

Note.—Where questions cannot be adequately answered in the spaces provided below, attach answers on separate sheets giving them convenient reference numbers.

1. Name and address of applicant's engineer and/or architect; also of consulting engineer and/or consulting architect Charles A. Haskins, Consulting Engineer, 517 Finance Building, Kansas City, Missouri

---

4. Signature of officer authorized to execute Application.
5. Title of officer executing Application.

2. Attach general description, with drawings sufficient for a thorough understanding of the project and report of engineers or architect with pertinent design data, if available. See Exhibit 156-2

3. Estimate of cost of project:

a. Preliminary expenses ..... $ 1,000.00

b. Cost of land, rights of way, easements .... $ 1,500.00

c. Construction costs:

(Where a project comprises one or more separate buildings or other distinct units, the cost of each should be separately shown. The cost of each unit should be further broken down into the various items of work and appropriate quantities and unit prices applied to develop the total cost of the building or other structure.

Items of furniture and equipment, other than the usual service facilities such as plumbing, heating, ventilation and electrical, should be itemized and totaled separately.)

List of items of breakdown, giving quantities and unit prices:

See Exhibit 156-2 for detailed estimate .... $.....

..... $.....

..... $.....

Contingencies ..... $.....

Total Construction Cost $280,000.00

d. Engineering, architectural and other fees for technical service. The basis upon which this item is computed should be clearly indicated 5% ..... $ 14,000.00

e. Legal, administrative, and overhead costs to be financed from the proceeds of the loan and grant. This item should be subdivided to indicate clearly the purpose for which the funds are requested and the basis upon which they have been computed ..... $ 5,000.00

f. Interest during construction ..... $ 3,500.00

g. Miscellaneous costs in reasonable detail:

1. Elections $500.00
2. Publishing, advertising, etc. $250.00
3. Bond printing, etc. $250.00
4. ..... $.....

Total miscellaneous charges ..... $ 1,000.00

Total estimated cost of project $306,000.00

h. Amount of funds, if any, to be furnished by the applicant from sources other than the Government ..... $ None

i. Amount of loan and grant requested $306,000.00

4. Statement as to status of drawings and specifications with description of preliminary work done to date of application.

See Exhibit 156-4

	(1) Amount (Dollars)	(2) Percent of sub-total	(3) Percent of total allotment	(4) Daily average number to be employed
5. Estimated Division of Allotment:				
(a) Labor:				
(1) Unskilled	40,000.	45.	13.1	102.
(2) Intermediate	26,700.	30.	8.7	53.
(3) Skilled	20,500.	23.	6.7	21.
(4) Technical and clerical	1,800.	2.	0.6	3.
(5) Subtotal	89,000.	100	29.1	179.
(b) Superintendence	5,600.	xxx	1.8	4.
(c) Professional services	13,400.	xxx	4.4	6.
(d) Other expenses on project:				
(1) Materials, supplies and equipment	191,000.	96.4	62.4	
(2) Contingent expense	5,500.	2.8	1.8	
(3) Land, rights-of-way and purchase of existing facilities	1,500.	0.8	0.5	
(4) Subtotal, other expense	198,000.	100	64.7	
(e) Total	306,000.	xxx	100	189.

(f) Skilled labor to consist of following average daily number to be employed from various trades:

Number	Trade	Number	Trade
(1) 3	Tank erectors	(6) 0.5	Electricians
(2) 6	Ditching Machine Operators	(7)	.....
		(8)	.....
(3) 6	Plumbers	(9)	.....
(4) 1	Carpenters	(10) 3.5	Other trades
(5) 1	Bricklayers	(11)* Total 21	.....

*Same as 5 (a) (3).

6. Estimated expenditure per man-year of employment, $3,240.00. (State number of hours per month and wage rate basis (P.W.A., union scale, or other) used in 3 and 6.)

   See Exhibit 156-6

7. Estimated total man-hours: 137,000

8. Estimated period of preparation before work at site can be started 45 days.

9. Estimated daily average number of employees each month during execution of project:

1. 189	2. 189	3. 189	4. 189	5. 189	6. 189
7.	8.	9.	10.	11.	12.

10. Estimated elapsed time from beginning work to completion, 6 months.

11. (a) What part of labor on project would usually be handled by contract? 100%

    (b) What part of labor on project would usually be day labor? ....%

12. (a) If the project will compete with an existing facility, a complete description of the existing facility should be given, and should define its present physical condition.

    (b) If the project will compete with an existing facility the experience record of the existing facility for the past five years should be presented, if available, to show revenues, sales or service from which revenues derive, classified as to type, and valued as to rates, and maintenance and operating expense.

    (c) If the project will have a competing facility, the franchise, permit, or license under which the competing facility operates should be described.

    The project will not compete with an existing facility.

AFFIDAVIT

R. O. Ruble, being first duly sworn, says:

1. That the affiant has been authorized by the above-named applicant to furnish engineering information to the Federal Emergency Administration of Public Works to support the application of said applicant, dated .....;

2. That the information supplied on the above form and in the attached exhibits and statements is true, correct, and complete to the best of his knowledge and belief.

(signed) R. O. Ruble

Sworn to before me this 20th day of November, 1935.

(signed) Gertrude Rieger
Notary.

My commission expires October 10, 1938.

EXHIBIT 156-2

September 5, 1935

To the Board of Directors,
Jackson County Public Water Supply
District No. 1,
KANSAS CITY, MISSOURI

Gentlemen: —

In accordance with your instructions, we desire to submit herewith our report on the proposed Jackson County Public Water Supply District No. 1.

There is attached to this report a map showing the proposed waterworks system and also the boundaries of the proposed Water Supply District. The water system as laid out consists of 31.5 miles of mains, 150 fire hy-

drants, 550 service lines and meters, an elevated tank in the Grandview district, booster pumps at Holmes Park, and connection to the City water system, with master meter, at 75th & Prospect. The lines as laid out will reach 604 houses and other prospective customers. There are approximately 210 additional houses within the District which will not be reached.

The system as laid out will cost approximately $306,000.00, which cost will be financed by a loan and grant from the Federal Public Works Administration. The grant will be $137,700.00 and the loan $168,300.00. This loan should be secured with 50% general obligation and 50% revenue bonds.

The law under which it is proposed to construct and operate the system was passed at the last Legislature and became effective about September 1, 1935. It provides that public water supply districts may be incorporated by the Circuit Court upon a petition of the property owners in the District, which incorporation must later be ratified by the voters in the District. The law provides also for the issuance by the District of both general obligation bonds and revenue bonds, each in the amount of 5% of the assessed valuation of the taxable property in the District. These bond issues must be authorized at an election by two-thirds of the voters voting at the election. The general obligation bonds are to be retired by a tax levy. The revenue bonds are to be retired by the earnings from the sale of water.

The assessed valuation in the District is approximately $2,450,000.00. In order to retire the $85,000.00 in 20-year 4% serial bonds, it would be necessary to make an average levy of about $2.64 per $1000.00 assessed valuation during the 20-year period, assuming that the val-

uation would remain constant. If the assessed valuation increases, as it should as the District develops, the levy per $1000.00 valuation will decrease accordingly.

We have estimated that 480 customers the first year of operation, with an increase of 20 per year, will provide sufficient revenue to retire the $84,000.00 in 4% serial revenue bonds in 20 years.

In the following report we discuss completely the waterworks system as laid out, we make an estimate of cost, and discuss the operation of the system, especially as it affects the retirement of the debt.

If further information is required, we will be glad to supply it.

Respectfully yours,

Charles A. Haskins
By (signed) R. O. Ruble

ROR:GR

Report on Jackson County Public Water Supply District No. 1

STATUTORY PROVISIONS

The law under which it is proposed to build, finance and operate the proposed waterworks system is Senate Bill No. 2, of the 58th Missouri General Assembly. This law became effective approximately September 1, 1935.

SURVEYS

We originally made some surveys on this project several years ago. Since receiving your instructions, we have brought these surveys up to date and have prepared a map showing the location of all houses and other possible customers within the District. We have determined suf-

ficient elevations within the District to determine the necessity for pumping the water, and also to determine the approximate pressure which will obtain in the various parts of the District. We have also made investigations to determine the probable quantity of rock which will be encountered, and also to determine the presence of other unusual conditions affecting construction.

THE WATERWORKS SYSTEM

In general the project contemplates the purchase of water from the City of Kansas City, Missouri, and the distribution of it through a system of mains to the residents of the District. There are several points where connection to the City system could be made, but the most feasible point seems to be at 75th & Prospect, where the supply line can be tapped into a 20-inch City main. At this point there will be installed a master meter for measuring the water purchased by the District.

An 8-inch supply line will be run from 75th & Prospect to Holmes Park, at which point booster pumps will be installed for raising the pressure approximately 50 feet above the pressure maintained in the City water system at the point of connection. A 250,000 gallon elevated storage tank, approximately 100 feet high will be installed in the vicinity of Grandview, where the ground elevation is higher than at any point in the system.

The system consists of approximately 31.5 miles of 8, 6, 4 and 2-inch mains. These mains will all be of cast iron and will be laid and jointed in accordance with best modern practise. Valves will be installed at frequent intervals. There will be 150 fire hydrants, and plugged tees for many more future hydrants, and the system has been so proportioned and arranged that fire streams of good capacity can be obtained from all of them. There is also

included in the system 550 service lines to customers and 550 service meters. It is planned for the District to install a service line to the customer's property line and there install a meter in an outside meter setting in accordance with current good practise.

It is planned to construct, probably at Holmes Park, a small building which will house the offices of the District and will provide garage and shop space.

The topography of the ground in the District is such that pressures will vary from a minimum of approximately 45 pounds to a maximum of approximately 125 pounds.

COST OF THE SYSTEM

The following is the Estimate of Cost of constructing the waterworks system:

19,000	ft. 8-inch C.I. pipe	@ $ 1.50	$ 28,500.00
101,000	" 6-inch " "	1.10	111,100.00
44,000	" 4-inch " "	.80	35,200.00
2,500	" 2-inch " "	.55	1,375.00
110,000	lbs. fittings	.08	8,800.00
5,000	cu. yds. rock	3.50	17,500.00
10	8-inch gate valves	45.00	450.00
40	6-inch " "	30.00	1,200.00
35	4-inch " "	20.00	700.00
10	2-inch " "	16.00	160.00
150	fire hydrants	60.00	9,000.00
550	services and meters	35.00	19,250.00
	River crossing		1,500.00
	Railroad crossings		1,500.00
	Master meter and setting		1,500.00
1	250,000 gallon elevated tank		20,000.00
	Office, shop and pump station		10,000.00
	Tools and equipment		2,000.00
	Contingencies		10,265.00
	Engineering at 5%		14,000.00
	Preliminary expenses		1,000.00
	Legal and administrative		5,000.00
	Miscellaneous		1,000.00
	Land & right of way		1,500.00
	Interest during construction		3,500.00
		TOTAL	$306,000.00

PAYMENT FOR THE SYSTEM

Of the total cost of $306,000.00, $137,700.00 will be a Government grant and the remaining $168,300.00 can be borrowed from the Public Works Administration at 4% interest. It is tentatively planned to issue for this loan $84,000 in revenue bonds and $85,000.00 in general obligation bonds.

The assessed valuation of the District is approximately $2,450,000.00. If the $85,000.00 in general obligation bonds was to be retired at a constant rate of $4,250.00 a year, and if the assessed valuation remained constant during the life of the loan, the required tax levy per $1000.00 assessed valuation would be $3.12 the first year and $1.81 the last year. By varying the amount of the bond maturities so as to keep the fixed charges about constant during the 20-year period, the required tax levy, assuming a constant valuation, would be approximately $2.64 per $1000.00.

REVENUE FROM THE SYSTEM

NUMBER OF CUSTOMERS: The proposed water system reaches approximately 604 possible customers. It has been assumed that there will be 480 customers the first year of operation and that the number of customers will increase at the rate of 20 per year; which means that at the end of twenty years the number of customers would have increased 79%. The population of Washington Township, of which this District is a part, was 2,369 in 1910, 3,911 in 1920, and 9,951 in 1930. The Township increased in population more than 400% in the 20-year period from 1910 to 1930. Consequently, we believe that an assumption of 79% increase in the number of customers in twenty years is conservative.

RATE SCHEDULES: The following schedule of rates has been set up governing the sale of water:

First	2,000	gallons	per	month	@	$0.75	per	1000 gallons
Next	3,000	"	"	"		.50	"	"	"
Next	15,000	"	"	"		.40	"	"	"
Next	30,000	"	"	"		.30	"	"	"
Next	50,000	"	"	"		.25	"	"	"
Excess						.20	"	"	"

Minimum Bill $1.50 per month

SALE OF WATER: Based on a careful study of the the District and a comparison of the sale of water in similar small towns and districts, we have set up the following analysis of probable sales of water to a group of 500 customers:

No. of	Monthly Bill		Use of Water Gallons per Month	
Customers	Each	Total	Each	Total
200	$ 1.50	$300.00	2,000	400,000
150	2.00	300.00	3,000	450,000
100	3.00	300.00	5,000	500,000
30	5.00	150.00	10,000	300,000
10	12.00	120.00	30,000	300,000
5	18.00	90.00	50,000	250,000
3	24.25	72.75	75,000	225,000
1	50.50	50.50	200,000	200,000
1	110.50	110.50	500,000	500,000
				3,125,000
		Plus 15% waste		475,000
				3,600,000

gallons per month to purchase

Average bill about $3.00 per month

Assuming a population of 4 per customer, the per capita use would be about 60 gallons per day.

This group of 500 customers includes two golf courses, two high schools, two grade schools, 30 stores, 17 filling stations, 35 tourist cabins (not counted as separate houses), 15 road houses, 7 dairies, and numerous large private estates.

OPERATING COSTS: We have made the following estimate of cost of operating the system, based on the group of 500 customers:

1 Superintendent	$100.	per	month	$1,200.	per	year
1 Bookkeeper and clerk	100.	"	"	1,200.	"	"
1 Laborer, part time	50.	"	"	600.	"	"
Office maintenance, light, heat, etc.	40.	"	"	480.	"	"
Office supplies, postage, etc.	50.	"	"	600.	"	"
Truck, 1000 mi/mo @ 5¢	50.	"	"	600.	"	"
Tools and supplies	30.	"	"	360.	"	"
Miscellaneous	30.	"	"	360.	"	"
				$5,400.	"	"

5400/500 = $10.80 per customer per year

The cost of the 3,600,000 gallons of water estimated to be used each month by the group of 500 customers, according to the Kansas City, Missouri rate, will be as follows:

2,000	gallons	at	$0.25	$ 0.50
15,000	"	"	.23	3.45
15,000	"	"	.21	3.15
22,500	"	"	.20	4.50
22,500	"	"	.19	4.28
37,500	"	"	.17	6.38
37,500	"	"	.16	6.00
75,000	"	"	.15	11.25
150,000	"	"	.13	19.50
375,000	"	"	.11	41.25
2,843,000	"	"	.09	256.32

356.58 x 12 = $4,278.96 per year

The cost of pumping this water against a total head of approximately 100 feet, assuming a 60% efficiency of the pumping equipment and a power cost of 3 cents per kilowatt-hour, will be approximately $64.80 per month, or $777.60 per year. The total cost of the water will be—

Water purchase	$4,278.96	per year
Water pumping	777.60	" "

$5,056.56, or about $10.11 per customer per year.

OPERATING SURPLUS: The average annual revenue per customer is estimated at $36.00. The operating expenses are estimated to be $10.80 per year for office and labor, and $10.11 per year for water and pumping, or a total of $20.91 per year. This leaves an operating surplus of approximately $15.00 per customer per year.

PAYMENT OF REVENUE BONDS: The following Table shows for each year during the life of the revenue bonds the estimated number of customers, the operating surplus each year at $15.00 per customer per year, the fixed charges, the balance at the end of the year, and the accumulated balance each year during the period. The schedule of bond maturities has been arranged so as to make the fixed charges per customer somewhat near constant during the life of the loan:

APPLICATION OF OPERATING SURPLUS TO RETIREMENT OF $84,000.00 in 4% REVENUE BONDS

Year	Number of Customers	Operating Surplus at $15./Yr.	Fixed Charges: Interest 4%	Fixed Charges: Principal $84,000.	Fixed Charges: Total	Balance at End of Year	Accumulated Balance
1	480	$7,200.	$3,360.	—	$3,360.	$3,840.	$3,840.
2	500	7,500.	3,360.	—	3,360.	4,140.	7,980.
3	520	7,800.	3,360.	$1,000.	4,360.	3,440.	11,420.
4	540	8,100.	3,320.	1,000.	4,320.	3,780.	15,200.
5	560	8,400.	3,280.	2,000.	5,280.	3,120.	18,320.
6	580	8,700.	3,200.	2,000.	5,200.	3,500.	21,820.
7	600	9,000.	3,120.	3,000.	6,120.	2,880.	24,700.
8	620	9,300.	3,000.	3,000.	6,000.	3,300.	28,000.
9	640	9,600.	2,880.	4,000.	6,880.	2,720.	30,720.
10	660	9,900.	2,720.	4,000.	6,720.	3,180.	33,900.
11	680	10,200.	2,560.	5,000.	7,560.	2,640.	36,540.
12	700	10,500.	2,360.	5,000.	7,360.	3,140.	39,680.
13	720	10,800.	2,160.	6,000.	8,160.	2,640.	42,320.
14	740	11,100.	1,920.	6,000.	7,920.	3,180.	45,500.
15	760	11,400.	1,680.	7,000.	8,680.	2,720.	48,220.
16	780	11,700.	1,400.	7,000.	8,400.	3,300.	51,520.
17	800	12,000.	1,120.	7,000.	8,120.	3,880.	55,400.
18	820	12,300.	840.	7,000.	7,840.	4,460.	59,860.
19	840	12,600.	560.	7,000.	7,560.	5,040.	64,900.
20	860	12,900.	280.	7,000.	7,280.	5,620.	70,520.
Totals		201,000.			$130,480.	$70,520.	

The above Table shows that the anticipated earnings will retire the revenue bond issue in 20 years and show a surplus of approximately $70,520.00.

EXHIBIT 156-4

Preliminary work has been completed, and includes careful field surveys of the project and estimate of cost. Final plans and specifications are in progress and can be completed in about 45 days.

EXHIBIT P.W.A. 156-6

The estimates of employment are based on a 6-month construction period, a 130-hour working month, and the following wage scale:

Unskilled labor	$0.50	per hour
Intermediate "	.65	" "
Skilled "	1.25*	" "

*Union scale for most of the trades.

Total Project Cost $306,000.00

189 men for 6 months, or
94.5 men for 1 year

Cost per man year $= \frac{306,000}{94.5} =$ $3,240.00

FEDERAL EMERGENCY ADMINISTRATION
OF PUBLIC WORKS

HAROLD L. ICKES, ADMINISTRATOR
WASHINGTON

Financial Information Supplied by Applicant

State .....

State File No. .....
(Not to be filled in by applicant)

Applicant Jackson County Missouri Public Water Supply District No. 1

1. Assessed Valuation of Taxable Property (Current Year, 1934) $2,428,000.00 plus

See Exhibit 157-1

Percentage assessed value is of actual value about 75 percent.

2. Outstanding Debt As of Nov. 1, 1935:

(Date of application)

Bonds:	Amount
General Obligation Bonds (paid from taxes)	$ None
General Obligation Bonds (payable from taxes but paid from revenues)	None
Special Assessment Bonds	None
Revenue Bonds	None
Total funded debt	$ None

Notes, Etc.:	Amount
Bond anticipation notes	$ None
Tax anticipation notes	None
Warrants	None
Other (.....)	None
Total floating debt	$ None

3. Sinking Funds As of Nov. 1, 1935

(Date of application)

		For bonds payable from taxes	For all other bonds
Free cash	None	$.....	$.....
Cash in closed banks	None	.....	.....
Invested in applicant's bonds	None	.....	.....
Other investments	None	.....	.....
(Description)			
Total sinking funds	None	$.....	$.....

4. Overlapping Taxing Authorities:

	Outstanding debt	Assessed valuation
County	$1523742.28	$565470901.20
City, town, or village	.....	.....
School district Cons. Dist. #1	110000.00	1298200.00*
" " " " #2	113500.00	24440.00*
" " " District #4	46000.00	750750.00*
" " Center	91000.00	109270.00*
" " Dallas District	10000.00	19130.00*

*Within the District.

5. Ad Valorem Tax Rate:

(Current Year, 193..)

	Rate per $1,000
State	$ 1.50
County	6.70
City, town, or village	.....
School Dist. #1	12.00
School district #2	12.00
" " #4	14.00
Other districts Center	18.50
Dallas	10.00
Total rate	$.....

NOTE.—If security offered is payable from a *limited* ad valorem tax, the tax rates for debt purposes and operating purposes inside and outside of the tax limit should be shown separately in an attached statement.

6. Ad Valorem Tax Levies and Collections (last 2 fiscal years): Fiscal years ending ..... (For applicant's purposes) (Date) 193..

Taxes are due each ..... and become delinquent (Date)

each..... (Date)

Amount of current taxes levied	$.....	$.....
Amount of current taxes collected	.....	.....
Amount of delinquent taxes collected	.....	.....
Total amount of taxes collected	.....	.....

See Exhibit 157-6

7. Cash Receipts and Disbursements:

The District is newly organized, and has to date neither received nor expended any funds.

Fiscal years ending ..... (Date)

		193	193
Receipts—	Ad Valorem taxes	$.....	$.....
	Licenses, fines, fees, etc.	.....	.....
	State or county aid	.....	.....
	From sale of bonds	.....	.....
	From temporary loans	.....	.....
	Other receipts	.....	.....
	(Description)		
	Other receipts	.....	.....
	(Description)		
	Total receipts	$.....	$.....

Disbursements—Ordinary expenses	$.....	$.....
Bond payments	.....	.....
Interest payments	.....	.....
Temporary loans paid	.....	.....
Capital outlay	.....	.....
Other expenses	.....	.....
(Description)		
Other expenses	.....	.....
(Description)		
Total disbursements	$.....	$.....
Current surplus or deficit	$.....	$.....
Cash balance from previous years	.....	.....
Cash balance at end of year	$.....	$.....
Unpaid bills at end of year	$.....	$.....

NOTES:.—1. If sinking fund, utilty funds, special assessment fund or other funds are accounted for separately, attach similar statements for each fund.

2. If annual statements of receipts and disbursements which give substantially the information requested in this section already have been prepared, they may be attached in lieu of filling out section 7 above.

8. Have There Been Any Defaults or Postponements in the Payment of Principal or Interest? None If so, give the following information:

(a) Year of default	Kind of bonds	Reason	Amount of default Principal	Interest	Year paid	Amount still due
19....	.....	.....	$.....	$.....	19....	$.....
19....	.....	.....	$.....	$.....	19....	$.....
19....	.....	.....	$.....	$.....	19....	$.....

(b) What steps are being taken to remedy any existing defaults? .....

9. Amount of General Obligation Bonds Maturing During Next 5 Years:

Fiscal years ending .....
(Date)

	19....	19....	19....	19....	19....
Serial bonds	$.....	$.....	$.....	$.....	$.....
Term bonds	.....	.....	.....	.....	.....
Total	$.....	$.....	$.....	$.....	$.....

NOTE

1. See accompanying special instructions regarding *revenue-producing* projects and projects to be financed by *special assessment* bonds.

2. Attach brief general description of community, including information regarding railroads and main highways by which served, chief industries or commercial activities, products of surrounding country, and any other items of interest.

3. Attach statement concerning objections, if any, to project made by individuals, civic groups or other similar bodies.

AFFIDAVIT

R. D. Barry, being first duly sworn, says:

1. That the affiant has been authorized by the above-named applicant to furnish financial information to the Federal Emergency Administration of Public Works to support the application of said applicant, dated .....;

2. That the information supplied on the above form and in the attached exhibits and statement is true, correct, and complete to the best of his knowledge and belief.

.....

(signed) R. D. Barry

SEAL

Sworn to before me this 23rd day of November, 1935.

(signed) Pansy Perkins

Notary.

My commission expires Nov. 28, 1936.

EXHIBIT 157-1

The valuation of $2,428,000.00 will be increased some by the valuation of the public utilities located within the District. It is not possible at this time to segregate the valuation of these utilities which lie within the boundaries of the District.

EXHIBIT 157-6

Due to the fact that the County Collector does not make a practice of making an annual summary of the delinquent taxes, it is impossible to get these figures without going entirely through the tax books for the last two years. The District will be glad to assemble such information along this line as the Public Works Administration requires and will await the advices of the Public Works Administration.

EXHIBIT 157—NOTE 1

Revenues from the System

NUMBER OF CUSTOMERS: The proposed water system reaches approximately 604 possible customers. It has been assumed that there will be 480 customers the first year of operation and that the number of customers will increase at the rate of 20 per year, which means that

at the end of the twenty years the number of customers would have increased 79%. The population of Washington Township, of which this District is a part, was 2,369 in 1910, 3,911 in 1920, and 9,951 in 1930. The Township increased in population more than 400% in the 20-year period from 1910 to 1930. Consequently, we believe that an assumption of 79% increase in the number of customers in 20 years is conservative.

RATE SCHEDULE: The following schedule of rates has been set up governing the sale of water:

First	2,000 gallons per month	@	$0.75 per 1000 gallons
Next	3,000 " " "		.50 " " "
Next	15,000 " " "		.40 " " "
Next	30,000 " " "		.30 " " "
Next	50,000 " " "		.25 " " "
Excess			.20 " " "

Minimum Bill $1.50 per month

SALE OF WATER: Based on a careful study of the District and a comparison of the sale of water in similar small towns and districts, we have set up the following analysis of probable sales of water to a group of 500 customers:

No. of Customers	Monthly Bill Each	Monthly Bill Total	Use of Water Gallons per Month Each	Use of Water Gallons per Month Total
200	$ 1.50	$ 300.00	2,000	400,000
150	2.00	300.00	3,000	450,000
100	3.00	300.00	5,000	500,000
30	5.00	150.00	10,000	300,000
10	12.00	120.00	30,000	300,000
5	18.00	90.00	50,000	250,000
3	24.25	72.75	75,000	225,000
1	50.50	50.50	200,000	200,000
1	110.50	110.50	500,000	500,000
		$1,493.75		3,125,000
		Plus 15% waste		475,000
				3,600,000 gallons per month to purchase

Average bill about $3.00 per month.

Assuming a population of 4 per customer, the per capita use would be about 60 gallons per day.

This group of 500 customers includes two golf courses, two high schools, two grade schools, 30 stores, 17 filling stations, 35 tourist cabins (not counted as separate houses), 15 road houses, 7 dairies, and numerous large private estates.

OPERATING COSTS: We have made the following estimate of cost of operating the system, based on the group of 500 customers:

1 Superintendent	$100	per	month	$1,200	per	year
1 Bookkeeper and clerk	100	"	"	1,200	"	"
1 Laborer, part time	50	"	"	600	"	"
Office maintenance, light, heat, etc.	40	"	"	480	"	"
Office supplies, postage, etc.	50	"	"	600	"	"
Truck, 1000 mi/mo @ 5¢	50	"	"	600	"	"
Tools and supplies	30	"	"	360	"	"
Miscellaneous	30	"	"	360	"	"
				$5,400	"	"

5400/500 = $10.80 per customer per year

The cost of the 3,600,000 gallons of water estimated to be used each month by the group of 500 customers, according to the Kansas City Missouri rate, will be as follows:

2,000	gallons	at	$0.25	$0.50
15,000	"	"	.23	3.45
15,000	"	"	.21	3.15
22,500	"	"	.20	4.50
22,500	"	"	.19	4.28
37,500	"	"	.17	6.38
37,500	"	"	.16	6.00
75,000	"	"	.15	11.25
150,000	"	"	.13	19.50
375,000	"	"	.11	41.25
2,848,000	"	"	.09	256.32
				356.58 x 12 = $4,278.96 per year

The cost of pumping this water against a total head of approximately 100 feet, assuming a 60% efficiency of the pumping equipment and a power cost of 3 cents per kilowatt-hour, will be approximately $64.80 per month, or $777.60 per year. The total cost of the water will be

Water purchased	$4,278.96 per year
Water pumping	777.60 " "
Total	$5,056.56 " "

or about $10.11 per customer per year.

OPERATING SURPLUS: The average annual revenue per customer is estimated at $36.00. The operating expenses are estimated to be $10.80 per year for office and labor, and $10.00 per year for water and pumping, or a total of $20.91 per year. This leaves an operating surplus of approximately $15.00 per customer per year.

PAYMENT OF REVENUE BONDS: The following Table shows for each year during the life of the revenue bonds the estimated number of customers, the operating surplus each year at $15.00 per customer per year, the fixed charges, the balance at the end of the year, and the accumulated balance each year during the period. The schedule of bond maturities has been arranged so as to make the fixed charges per customer somewhat near constant during the life of the loan:

APPLICATION OF OPERATING SURPLUS TO RETIREMENT OF $84,000.00 in 4% REVENUE BONDS

Year	Number of Customers	Operating Surplus at $15./Yr.	Fixed Charges Interest 4%	Fixed Charges Principal $84,000.	Fixed Charges Total	Balance at End of Year	Accumulated Balance
1	480	$7,200.	$3,360.	—	$3,360.	$3,840.	$3,840.
2	500	7,500.	3,360.	—	3,360.	4,140.	7,980.
3	520	7,800.	3,360.	$1,000.	4,360.	3,440.	11,420.
4	540	8,100.	3,320.	1,000.	4,320.	3,780.	15,200.
5	560	8,400.	3,280.	2,000.	5,280.	3,120.	18,320.
6	580	8,700.	3,200.	2,000.	5,200.	3,500.	21,820.
7	600	9,000.	3,120.	3,000.	6,120.	2,880.	24,700.
8	620	9,300.	3,000.	3,000.	6,000.	3,300.	28,000.
9	640	9,600.	2,880.	4,000.	6,880.	2,720.	30,720.
10	660	9,900.	2,720.	4,000.	6,720.	3,180.	33,900.
11	680	10,200.	2,560.	5,000.	7,560.	2,640.	36,540.
12	700	10,500.	2,360.	5,000.	7,360.	3,140.	39,680.
13	720	10,800.	2,160.	6,000.	8,160.	2,640.	42,320.
14	740	11,100.	1,920.	6,000.	7,920.	3,180.	45,500.
15	760	11,400.	1,680.	7,000.	8,680.	2,720.	48,220.
16	780	11,700.	1,400.	7,000.	8,400.	3,300.	51,520.
17	800	12,000.	1,120.	7,000.	8,120.	3,880.	55,400.
18	820	12,300.	840.	7,000.	7,840.	4,460.	59,860.
19	840	12,600.	560.	7,000.	7,560.	5,040.	64,900.
20	860	12,900.	280.	7,000.	7,280.	5,620.	70,520.
Totals		$201,000.			$130,480.	$70,520.	

The above Table shows that the anticipated earnings will retire the revenue bond issue in 20 years and show a surplus of approximately $70,520.00.

EXHIBIT 157—NOTE 2

Description of Area to Be Served

This suburban area immediately adjoins Kansas City Missouri on the south and southeast, occupying some of the most sightly territory in Jackson County, in the main being high and well drained.

The territory contains the communities of Dodson, Holmes Park, the Rose Hill suburban residential section, Oakwood Country Club, the town of Hickman Mills and adjoining residential district, South Ridge Country Club, the town of Grandview and adjoining residential district, with a general residential development in between all of the above communities.

All of the above territory is made easily accessible to the heart of the business district of Kansas City, due to the fact that this area lies on both sides of U.S. Highway No. 71, the main north and south highway of the State, which is now being widened through this territory and many miles beyond. It is further criss-crossed by many of the county concrete roads recently completed under Jackson County's $6,000,000.00 road improvement, some of the main roads being Blue Ridge Road, Blue Ridge Boulevard, 87th Street, Colburn Road, Hickman Mills-Lee's Summit Road and High Grove Road; and it is also well supplied with many macadam and asphalt roads under County supervision and maintenance; all of which makes this territory at no place farther than 35 minutes' drive to the heart of the Kansas City business district, easily accessible to any of the city residential districts and to most of the industrial districts.

For many years this territory has been one of the richest agricultural sections in the country, practically all of it having been either in farm or orchards. The transition of this territory from farms and orchards to a popular suburban territory is attested by the growth as shown by the U.S. Bureau of Census reports from Washington Township, the best part of the growth occurring in this area, namely, a growth of two and one-half times from 1920 to 1930, practically all of this growth occurring without the benefits of modern improvements, which have occurred

since 1930. In recent years this territory has been served with gas by the Panhandle-Eastern Pipe Line Company; its electric service has been greatly improved and serviced with reduced rates by the Kansas City Power and Light Company, and the Missouri Public Service Company; its telephone system has been greatly improved and is now on the new modern automatic telephone system; it is well served with public schools and two modern high schools; its transportation, besides being improved with modern highways for private use, is further served by the Martin Coach Line, the Crown Coach Company, Kansas City Southern Railroad, Missouri Pacific Railroad, and the Frisco lines. It is now in process of intensive development. This territory is developing along varied lines, from expensive country estates and suburban homes to subsistence farms with tracts of from one to ten acres. The past record of this district proves conclusively that it is destined to constitute a larger, better settled and more improved suburban area year by year. At the present time there are practically no industrial or manufacturing plants in the district, but the opportunity for such development is ample, particularly along the railroads in the lower portions.

EXHIBIT 157—NOTE 3

There have been no formal objections to the project on the part of organizations, civic groups, or similar bodies.

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

HAROLD L. ICKES, ADMINISTRATOR
WASHINGTON

Legal Information Supplied by Applicant

State .....

State File No. .....
(Not to be filled in by applicant)

1. Exact corporate name of applicant Jackson County Public Water Supply, District No. 1.

2. Date of organization or incorporation October 10, 1935.

3. Reference to any Constitutional, statutory, and charter authority pursuant to which the applicant was organized Missouri Statutes Annotated, 1935, Article 7, Chapter 32, Section 4962a to Section 4962s inclusive; Laws of Mo. 1935, p. 327.

4. Has applicant a special charter? Yes. If so, if charter is set out in statutes or Constitution, cite references thereto was incorporated by decree of the Circuit Court. Article 7, Chapt. 32, Secs. 4962a to 4962s inclusive, Mo. Statutes Anno. 1935 (Laws of Mo. 1935, page 327).

   If charter is not set out in statutes or Constitution, furnish a copy of such charter together with a certificate from proper officer to the effect that such copy is a true, complete, and accurate copy of the present charter including all amendments to date.

5. Name and address of applicant's legal representative with whom correspondence should be conducted Jerome Walsh, 1201 Bryant Bldg., Kansas City, Missouri.

6. Applicant's population in 1910 .....; in 1920 .....; in 1930 .....; and present estimated population 3,500.

7. Reference to Constitutional, statutory, and charter authority empowering the applicant to construct the proposed project Article 7, Chapt. 32, Secs. 4962a to 4962s inclusive, Mo. Statutes Annotated, 1935 (Laws of Missouri 1935, page 327).

8. Reference to Constitutional, statutory, and charter authority empowering the applicant to issue the proposed obligations and to secure them in the manner proposed Section 4962m of Article 7, Chapter 32, Missouri Statutes Annotated, 1935 (Laws of Mo. 1935, p. 327).

9. Description of project in language of Constitution, statutes, or charter authorizing the construction and financing of such project in the manner proposed. See point answered under Numbers 7 and 8.

10. Reference to Constitutional, statutory, or charter debt limitation, Section 12 of Article X of Constitution of State of Missouri, Article 7, Chapter 32, Section 4962m, Missouri Statutes Annotated, 1935 (Laws of Missouri 1935, page 327).

11. State:

(a) Year and amount of assessed valuation (19....) on which debt limit is computed		$2,500,000.
(b) Gross borrowing capacity	(10%)	250,000.
Less—		
(c). Outstanding bonded and other debt (less deductions and exemptions) subject to limitation (itemize)		None
(d) Net borrowing capacity		$ 250,00.

12. State the deductions which are allowed in ascertaining net debt, giving Constitutional, statutory, and charter authority—There is no deduction. See Section 12 of Article X of Constitution of State of Missouri.

13. References to Constitutional, statutory, or charter tax limitations, Section 12, Article X of Constitution of State of Missouri, Article 7, Chapter 32, Section 4962m, Missouri Statutes Annotated, 1935. (Laws of Mo. 1935, page 327).

14. State when assessed valuation becomes final by equalization or otherwise, citing Constitutional, statutory, and charter references Article 3, Chapter 59, R.S.Mo. 1929; also see Section 12, Article X of Constitution of State of Missouri, providing "no county * * * political corporation or sub-division of the state shall be allowed to become indebted * * * nor in cases requiring such assent, shall any indebtedness be allowed to be incurred to an amount including existing indebtedness, in the aggregate exceeding 5% percentum on the value of the taxable property therein, *to be ascertained by the assessment next before the last assessment for state and county purposes, previous to the incurring of such indebtedness.*" * * *

15. If proposed obligations are subject to limit which is not computed on basis of assessed valuation, describe such other basis and set out appropriate figures so as to indicate net borrowing capacity on such other basis. Limitation of debt computed only on basis of assessed valuation.

16. State, giving authority:

(a) What are remedies of holder of obligations in the event of default? In the case of General Obligation bonds, the Statute (Section 4962m Mo. Statutes Annotated, 1935, Article 7, Chapter 32, provides that the directors at the time of issuing the bonds shall provide for the levy of a direct tax on all the property in the District. The holders may compel the levy and collection of this tax in the event of default. (Laws of Mo. 1935, p. 327).

The Act (Section 13) (Section 4962m Mo. Statutes Annotated, 1935, Article 7, Chapter 32), provides that in the case of Revenue or Special Obligation bonds

the directors shall covenant to fix, maintain and collect rates for water and water service adequate to meet the obligation of such bonds, both as to principal and interest. The holder may compel the fixing of such rates. All net revenues from water sales are pledged to pay such bonds. (Laws of Missouri 1935, page 327).

(b) How may such remedies be enforced? In the case of both General Obligation and Special Obligation bonds, the manner of enforcing the remedy of the holder would be by proceeding in mandamus to compel the levy and collection of a tax sufficient to service the bonds, and, in the case of Special Obligation bonds, to proceed in mandamus to compel the directors to fix water rates which would produce revenue to service the Special Obligation bonds. State ex rel. Frazier v. Holt County Court, 135 Mo. 533; 56 Corpus Juris, 748.

The undersigned attorney at law states:

1. That he has been authorized by the above-named applicant to furnish legal information to the Federal Emergency Administration of Public Works to support the application of said applicant, dated November 23, 1935;

2. That the information supplied on the above form and in the attached exhibits and statements is in his opinion true and correct.

(signed) Jerome Walsh
Attorney at law.

Date: 11/23/35

APPENDIX M

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

The undersigned, Charles W. Hess, being first duly sworn upon his oath, states:

1. That he is and has been a practicing attorney in the above county and state for over 30 years. That he has been the General Counsel for Jackson County Public Supply District No. 1 for over 12 years, and during that time has handled the bond issues and the drafting of all contracts for the District and towards these purposes has had to familiarize himself with previous bond issues and previous contracts, and of all the financial statements of said water district; that in performing said legal services he has derived his information from the district's records, from information contained in the files of bond underwriters handling the various bond issues of the district, and from the financial records of the district; that the facts hereinafter described are according to affiant's best recollection, information and belief.

2. Affiant states that the first issue of revenue bonds of the Public Water Supply District was in the amount of $84,000 and issued in about 1937. This issue was privately placed, as was the first issue of general obligation bonds of the District in approximately the same amount. Later the District issued $180,000 in refunding revenue bonds in 1952, and still later in 1958 the District issued an additional $250,000 in revenue bonds. Some of the later issues are still outstanding.

3. On October 2, 1936 Kansas City, Missouri entered into a Water Supply Contract with Jackson County Public Water Supply District No. 1 to furnish the District, and did furnish the District, water for a 20-year period. During the years between 1956 and 1960, Kansas City, Missouri was the District's sole supplier, but without a written contract; and in January, 1960 a new written contract was entered into. Later in July of 1961, a 20-year Water Supply Agreement was entered into between Kansas City, Missouri, and the District providing for a water supply until 1981, and that contract is still in full force and effect. Most of the facts set forth in this Affidavit are part of the record in this case, and many of them are substantiated by reference to Appendix H (R. Exhibit 13), the annual audit of the Water District dated October 31, 1962.

Further affiant saith not.

/s/ Charles W. Hess
Charles W. Hess

Subscribed and sworn to before me this 14 day of June, 1967.

/s/ Dorothy Griffith
Notary Public

My commission expires: 10-21-67.